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## Sweden

## Fresh Deciduous Fruit

## Annual

## 2002

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### Report Highlights:

U.S. apple imports to Sweden continued to decrease in 2001 and the U.S. market share in Sweden dropped to less than 1 percent. Imports of U.S. pears, on the other hand, increased from 2,925 metric tons in 2000 to 3,817 metric tons in 2001. Constraints to exports of U.S. apples and pears to Sweden includes the strong dollar exchange rate and stiff competition from EU suppliers. Due to an increased interest in organic fruits, the large retailers are now looking for certified organic suppliers.

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Includes PSD changes: Yes

Includes Trade Matrix: Yes

Annual Report

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## **Executive Summary**

This report covers apples and pears. With commercial apple and pear production inadequate to cover domestic demand, Sweden is traditionally a large importer most of the year. Apple and pear imports cover approximately 60 percent of domestic consumption. In 2001, the U.S. apple market share in Sweden dropped to less than 1 percent. U.S. pear imports to Sweden increased slightly in 2001, from 2,925 metric tons in 2000 to 3,817 metric tons. The strength of the dollar against the Swedish krona and the supply of fruit sourced from EU member states during the period when U.S. apples are exported are the main factors affecting the market and U.S. trade.

Among the European suppliers, French and Italian apples present the strongest competition. In the pear market, Italy, Belgium and Argentina are the strongest competitors in Sweden. Although statistically Netherlands appears as one of the largest exporter of apples and pears to Sweden, most of this trade represents fruit sourced from third countries. When the European season is over, imported apples and pears are sourced from southern hemisphere suppliers such as Argentina, Chile and New Zealand.

The 2002 domestic commercial apple crop is estimated at 17,000 metric tons, which is about 15 percent less than the 2001 crop. Domestic pear production in 2002 is estimated at 1,700 metric tons, compared to 1,298 metric tons in 2001. The outlook for 2002 is that domestic pear production will increase by 30 percent due to favorable weather conditions. Imports from the U.S. will continue to depend on the European crop, and the dollar/krona rate.

On average, the Swedish annual per capita consumption of commercially produced apples and pears is estimated at 13-16 kg. The country's total annual consumption of commercially grown apples and pears amounts to about 130,000 tons. In addition, an estimated 40,000-50,000 tons of home produce is consumed. The successful U.S. "5 a day" campaign has spread to Sweden as well as to other European countries. The campaign is supported by cancer organizations as well as national and local governments.

Exchanges rates used in this report:

Average 2000: 1 USD = SEK 9.18

Average 2001: 1 USD = SEK 10.33

## **Production**

Around 80 percent of the commercial fruit crop area is cultivated according to Integrated Production (IP) methods which aim at minimizing the risk for the environment and health. As of 1999, only IP fruit qualifies for the "SVENSKODLAT" (grown in Sweden) marketing label.

## **Apple Production**

Apples are, by far, the most predominant fruit grown in Sweden. The only other deciduous fruits grown commercially are pears, plums and cherries. However, Sweden accounts for only 0.3 percent of the total EU apple production of approximately 8 million metric tons.

Every three years a comprehensive horticultural study is undertaken in Sweden. The most recent one, published in 2000, is based on 1999 data. More recent data from the Association of Fruit Growers, the major grower organization, shows that the commercial apple crop in 2002 is estimated at 17,000 tons, down 1,000 tons compared to 2001. Domestic production is not anticipated to change significantly for the next coming years. The most common varieties, Ingrid Marie and Aroma, account for over 50 percent of the commercial production. In the 1980's Swedish producers grew about 250 varieties, whereas today only about 15 varieties are grown.

During the past ten years, the commercial crop area has decreased by 400 hectares while the number of farmers has decreased by 25 percent. In spite of these developments, the total crop size has increased due to improved productivity. Most of the plantings are irrigated. The best areas for fruit production are situated in the south of Sweden.

There are no official estimates of home orchard apple production. Based on previous years' calculations, the non-commercial harvest ranges between 30,000 to 50,000 tons. FAS/S has estimated the 2002 year crop at about 37,000 metric tons.

## **Pear Production**

Even in normal years, commercial pear production is very small in Sweden. Low yields often follow after a year with good yields. In 2002, production is estimated at 1,700 metric tons, up from 1,298 in 2001 due to an extremely warm and sunny summer. Five varieties make up 75 percent of the pear crop. These are in order of importance: Conference, Herzogin Elsa, Clara Frijs, Alexander Lucas and Pierre Cornielle. The non-commercial harvest is unofficially estimated at 14,000 tons, up by 3,200 tons from 2001.

## **Consumption**

The annual per capita consumption in Sweden of commercially grown apples and pears averages between 13-16 kg. Total consumption is estimated at about 130,000 tons. In addition, an estimated 40,000 to 50,000 tons of home orchard production is consumed. Home orchard production is the greatest competition to the domestic commercial production.

By way of comparison, the consumption of citrus fruits amounts to 13 kg per capita and year. Swedes

and Finns are ranked among the largest banana consumers in the world with an annual consumption of approximately 20 kg per capita. An estimated 5,000 metric tons of domestic cider and apple wine is produced in Sweden, but production is mainly based on imported concentrate and pulp.

The most common apple varieties in Swedish stores are Golden Delicious, Red Delicious, Ingrid Marie, and Granny Smith. New varieties are becoming more popular in this market, such as Royal Gala, Pink Lady and Fuji at the expense of Red Delicious. Common pear varieties are Anjou and Conference. However, Anjou pears have decreased in popularity, especially among the younger consumers who seems to prefer "harder" varieties.

## **Trade**

Imports of apples mainly take place in the November through March period, at time when southern hemisphere fresh crops come on the market. Total imports in 2001 amounted to 79,349 tons, compared to 86,398 tons in 2000. Imports from the U.S. have been declining during the past few years, reflecting the U.S. dollar's appreciation against the Swedish krona. In 2001, a total of 555 metric tons of apples (down 275 metric tons from 2000) were imported from the U.S., or below 1 percent of total imports (compared to 4.2% in 1999). During the past two years, the EU market has been pressured by overproduction and consequently extremely low prices. In 2002, apple production in the EU is expected to decrease and pressures should ease somewhat. As previously mentioned, European apples, especially French and Italian, provide the strongest competition. In 2001, about 40 percent of total apple imports by Sweden originated from France, and about 13 percent from Italy. Common imported varieties are Granny Smith, Golden Delicious, Red Delicious, and Gala as well as quality varieties such as Royal Gala and Pink Lady. Varieties imported from the U.S. are Golden Delicious, Red Delicious and Granny Smith.

Total imports of pears by Sweden in 2001 amounted to 28,317 metric tons, up 12 percent from the year before. Italy, Belgium and Argentina are the main competitors to the U.S.

As mentioned above, the Netherlands is one of the largest exporter of apples and pears to Sweden. However, an unknown, but certainly large, amount of apples and pears imported from the Netherlands originate in third countries.

## **Policy**

EU policies stipulated in EU directive 2200/96, which aim to strengthen the sector by supporting processing and marketing, apply to Sweden. Producer organizations can apply for program support of an amount of up to 4.1 percent of their sales-- provided that these organizations match the funding. The national limit is 2.5 percent of the total turnover of all the growers' associations.

Although support for general apple/pear production is not offered, support of SEK 7,500 per hectare

(USD 423/acre) is available for organic fruit growers. This environmental support has been little used by Swedish fruit growers. The government has set a goal for 20 percent of total crop area for all types of products to be put into organic production. In 2001, only 2 percent of the Swedish orchards were certified organic. This certification is done by the non-government Swedish regulatory authority KRAV, a member of the International Federation of Organic Agriculture Movements (IFOAM).

## **Marketing**

In Sweden, three retail groups, ICA, Coop and Axfood control about 80 percent of the retail market. ICA is supplied by its own distributor ICA Frukt & Gront and Coop and Axfood mainly uses SABA Frukt & Gront as their supplier. For reasons outlined above, the Swedish trade is somewhat pessimistic on market prospects for U.S. apples in Sweden. Duty-free imports from fellow EU member states, the EU's trade barriers against imports from third countries and logistic advantages for EU countries compared to overseas shipping have made the competitive environment difficult for U.S. suppliers. Opportunities for U.S. suppliers include promoting niche products such as large, high in color and high quality Red Delicious as well as new interesting varieties.

The market for organic fruits in Sweden has improved substantially during the past five years. Swedish consumers are becoming more and more environmental and health conscious in their choice of food. Distributors and retailers try to achieve marketing advantages by catering to these concerns. One of the leading retail chains in Sweden has increased its sales of organic fruits from 0.5 percent in 1997 to 13 percent in the first quarter of 2001. The increased demand for organic fruits in Sweden is in line with developments in the rest of Europe. The supply within Europe is not enough to cover demand, and Argentina, Chile and New Zealand have increased their exports of organic fruits to Europe. The Nordic countries, together with Germany and the United Kingdom, are the largest importers of organic apples and pears. The organically produced varieties that are grown/consumed are largely the same as the conventional varieties.

## Statistical Section

### PSD - Fresh Apples

PSD Table						
Country	Sweden					
Commodity	Fresh Apples				(HA)(1000 TREES)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Planted	1531	1531	1531	1418	0	1418
Area Harvested	1531	1531	1531	1418	0	1418
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	20000	20000	18000	19903	0	17000
Non-Comm. Production	48000	48000	43000	43200	0	37000
TOTAL Production	68000	68000	61000	63103	0	54000
TOTAL Imports	86398	86398	90000	79349	0	80000
TOTAL SUPPLY	154398	154398	151000	142452	0	134000
Domestic Fresh Consump	148070	148070	145000	136194	0	127900
Exports, Fresh Only	1328	1328	1000	1258	0	1100
For Processing	5000	5000	5000	5000	0	5000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	154398	154398	151000	142452	0	134000

**Import Matrix - Fresh Apples**

Import Trade Matrix			
Country	Sweden		
Commodity	Fresh Apples		
Time period	CY	Units:	Metric Tons
Imports for:	2000		2001
U.S.	830	U.S.	555
Others		Others	
France	27243	France	31869
Italy	19692	Netherlands	12595
Netherlands	14832	Italy	10540
Germany	6300	Germany	6897
Belgium	3979	Argentina	4160
Argentina	3638	Belgium	2860
Chile	2529	Spain	2772
New Zealand	1875	Chile	2245
Brazil	1214	Austria	1431
Total for Others	81302		75369
Others not Listed	4266		3425
Grand Total	86398		79349



**Export Matrix - Fresh Apples**

Export Trade Matrix			
Country	Sweden		
Commodity	Fresh Apples		
Time period	CY	Units:	Metric Tons
Exports for:	2000		2001
U.S.	0	U.S.	0
Others		Others	
Netherlands	547	Norway	556
Finland	337	Finland	272
Norway	336	Netherlands	215
Denmark	108	Austria	178
		Denmark	34
		Estonia	3
Total for Others	1328		1258
Others not Listed	0		0
Grand Total	1328		1258

**Prices Table - Fresh Apples**

Prices Table			
Country	Sweden		
Commodity	Fresh Apples		
Prices in	SEK	per uom	kilogram
Year	2000	2001	% Change
Dec	5.19	6.73	29.67%
Exchange Rate	10.33	Local currency/US \$	

**PSD - Fresh Pears**

PSD Table						
Country	Sweden					
Commodity	Fresh Pears				(HA)(1000 TREES)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Planted	296	296	296	135	0	150
Area Harvested	296	296	296	135	0	150
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	1375	1375	825	1298	0	1700
Non-Comm. Production	12000	12000	11000	10800	0	14000
TOTAL Production	13375	13375	11825	12098	0	15700
TOTAL Imports	27449	27449	31000	28317	0	30000
TOTAL SUPPLY	40824	40824	42825	40415	0	45700
Domestic Fresh Consump	40568	40568	42725	40011	0	45400
Exports, Fresh Only	256	256	100	404	0	300
For Processing	0	0	0	0	0	0
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	40824	40824	42825	40415	0	45700

**Import Matrix - Fresh Pears**

Import Trade Matrix			
Country	Sweden		
Commodity	Fresh Pears		
Time period	CY	Units:	Metric Tons
Imports for:	2000		2001
U.S.	2925	U.S.	3817
Others		Others	
Netherlands	9570	Netherlands	8322
Argentina	3185	Italy	3678
Italy	2847	Belgium	3537
France	2642	Argentina	2450
Belgium	2558	France	2267
Chile	1459	Spain	1736
Germany	822	Chile	1288
Spain	731	Germany	685
		UK & Ireland	148
Total for Others	23814		24111
Others not Listed	710		389
Grand Total	27449		28317

**Export Matrix - Fresh Pears**

Export Trade Matrix			
Country	Sweden		
Commodity	Fresh Pears		
Time period	CY	Units:	Metric Tons
Exports for:	2000		2001
U.S.	0	U.S.	0
Others		Others	
Netherlands	131	Norway	250
Norway	119	Netherlands	93
Finland	6	Finland	32
		Denmark	15
		Germany	13
Total for Others	256		403
Others not Listed	0		1
Grand Total	256		404

**Price Table - Fresh Pears**

Prices Table			
Country	Sweden		
Commodity	Fresh Pears		
Prices in	SEK	per uom	kilogram
Year	2000	2001	% Change
Nov			
Dec	5.83	6.73	15.44%
Exchange Rate	10.33	Local currency/US \$	

